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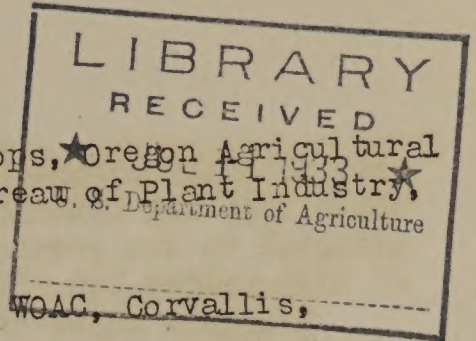




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## HOW ABOUT GROWING HOPS?

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(A radio talk given on February 23, 1933, over Station WOAC, Corvallis, Oregon.)

Hop growing has aroused more interest and received more attention in the last three years than in the previous twenty. This has been due to two factors: first, the introduction of the downy mildew disease in 1930 and; second, the increased price of hops due to the possibilities of some type of prohibition repeal. The first factor, downy mildew, tended to put many growers out of the hop business and certainly discouraged the enthusiasm of those that were trying to grow hops profitably at the low prices of recent years. The second factor, increased price, attracted many growers to the possibilities in hops. Interest has been keen ever since last fall when the price started up from about 12¢ per pound and reached the peak at 30¢ sometime before Christmas. In that period of time, we had numerous inquiries in regard to hop growing. These have been not only from western Oregon but also from eastern Oregon and many other states, including California, Washington, North Dakota, Wisconsin, Michigan, Arizona, West Virginia, etc.

I do not believe that all of these correspondents are going to grow hops. At any rate, I hope not. Many we have discouraged because of their lack of knowledge of the crop and also because of their unfavorable climatic conditions. However, there will be an increased acreage of hops. From conversation with various growers, buyers and others who are interested in the industry, I gather that there will be about one thousand acres increase in California, one thousand acres increase in Washington and anywhere from two to five thousand acres increase in Oregon, depending upon Congressional action this spring. There are growers who are prepared to increase their acreage if things look favorable, but who will not make an increase if prices are not high at planting time.

In general, we have been telling prospective hop growers that there is no place for a greatly increased acreage. If the hop crop is over-planted at this time, there will be a resultant low price two or three years from now when the new acreage comes into production. In addition to the possibilities of an increased acreage affecting prices, we have the possibilities of increased production on the acres now being grown. Every hop grower realizes that prices will be at least fairly good for 1933 and 1934, and so they are making plans by various means to get maximum production. There will be large quantities of fertilizers used, yards will be handled better, irrigation will be practiced in many cases and picking will be done thoroughly and promptly this coming fall. All of these things will make it possible with a good season to produce as one dealer has stated, "as much as 120,000 bales of hops in Oregon in 1933, as compared to the 65,000 that were produced in 1932."

Of course all of this is contingent on favorable weather and not too great ravages of the dreaded downy mildew disease. In other words, it does not appear feasible to grow a greatly increased acreage of hops for a big increase in acreage

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will not only adversely affect those that are growing hops at this time, but also those that are putting out the new plantings. In fact, the latter group will be affected to the greatest extent because they will not be in production at the time of high prices but will get into production when the prices may be lower.

Everyone knows that hop production requires a great outlay of money. In a recent survey here in Oregon it was found that it requires an outlay of about \$400 per acre to grow hops. As an average of estimates by growers on 3,000 acres of hops, Mr. Sulerud in Oregon Station Bulletin No. 288 "An economic study of the hop industry in Oregon", states that the investment per acre was somewhat as follows: land alone \$175; trellice, planting, etc. \$85; buildings including drying kilns, storerooms, picker shacks, and tents \$100; implements and machinery, which include plows, discs, harrows, tractors, trucks, wagons, hop racks, etc. \$45; and other miscellaneous items such as horse, sacks, tools, baskets \$20, or a total of \$425. This is a little larger than most estimates because many growers are able to do much of their own work and keep down costs. Also, it includes the investment for land which many already have. At any rate, a grower who owns his land and plans to put out as much as 25 acres of hops should figure on an outlay of at least \$5000 and be prepared to carry his investment along for a period lasting from this spring 1933 until possibly the fall of 1935 when he picks his first full crop. Of course, under good conditions he may get a half crop in 1934.

The price of hops has fluctuated greatly in the last forty years. For example, the figures collected by Mr. Sulerud show that in 1890 hops in Oregon were valued at 28¢ per pound; in 1895 they averaged 4.7¢ per pound; in 1900 the price increased and growers were paid 13.2¢ per pound, and there was rather a sharp rise until 1904 when they brought 24.3¢; and then a decline to a price of 5.8¢ per pound in 1907. However, this was followed by a fairly rapid rise which brought the price up to 35.7¢ per pound in 1911. This was followed by a decrease until 1916 when they were only 11.3¢ per pound. Then a rapid increase in 1919 when hops averaged 80.2¢ per pound and many growers received as much as \$1.00 per pound for their crop. This was followed by a general decline which reached 10.3¢ per pound in 1922 and was followed by another rise which stayed up fairly well until 1929, when they dropped to 10¢. This low price of 10¢ or 12¢ a pound has prevailed until now when hops reached as high as 30¢. Of course, the market is dull right now.

I would say that anyone familiar with the hop growing industry who has excellent river bottom land well adapted to producing 200 pounds of dry hops per acre and who is well equipped and willing to combat threatening outbreaks of the downymildew disease in both the spring and at picking time and who possibly can secure a good contract of 20¢ per pound for his hops for a period of the next several years, has a good opportunity and bright prospects in the hop business. If any of these factors are limiting he should make a serious study of the proposition and not dash out and get a few miscellaneous hop roots, plant them promiscuously in any type of soil and expect to reap a harvest this fall. In every industry, we have this type of failure who goes into something at the peak rather than at the bottom and who invariably makes a mess of the venture.

In conclusion, hop growing is a specialized industry that requires not only knowledge of the crop but also skill in handling many types of workers and a large outlay of capital. It is a crop that is bringing lots of money to Western Oregon and I hope that we can keep up to maximum production. However, I shudder at the possibilities of a repetition of one of the low price cycles that we passed through at least six times in the last forty years.